

CORRECTIONS AND REHABILITATION

The mission of the Department of Corrections and Rehabilitation (CDCR) is to enhance public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into communities. These strategies include providing safe and secure detention facilities for adults and juveniles, educational opportunities, services such as food, clothing, health care, direct supervision, surveillance, and when necessary apprehension of the state's parolee population. The CDCR is organized into 12 programs: Corrections and Rehabilitation Administration; Corrections Standards Authority; Juvenile Operations; Juvenile Education, Vocations, and Offender Programs; Juvenile Parole Operations; Juvenile Health Care Services; Adult Operations; Adult Parole Operations; Board of Parole Hearings; Community Partnerships; Adult Education, Vocations, and Offender Programs; and Correctional Health Care Services.

The proposed budget was constructed first by computing the workload budget funding level. From the workload budget, adjustments are made to reflect specific policy adjustments and reductions, including budget-balancing reductions. With these adjustments, the Governor's Budget includes \$11.4 billion (\$10.3 billion General Fund

WORKLOAD BUDGET

- A workload budget reflects what a given program will cost next year under existing law and policy.
- Government Code Section 13308.05 defines workload budget as the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, or population, and other factors including inflation, one-time expenditures, and federal and court-ordered mandates.

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and \$1.1 billion other funds) for CDCR. This reflects an increase of \$646.7 million (\$172.4 million General Fund) or six percent over the revised 2007-08 budget. Change Table DCR-01 illustrates the major changes proposed to the CDCR in the Governor's Budget.

Change Table DCR-01

Corrections and Rehabilitation Agency — Changes by Broad Categories

	2007-08			2008-09		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
2007 Budget Act	\$9,836,311	\$588,396	66,627.4	\$9,753,804	\$330,029	66,627.4
Workload Adjustments						
AB 900 Implementation	2,509	—	20.6	35,382	—	166.9
Enrollment/Caseload/Population	17,054	-416	60.2	20,351	-1,445	-829.8
Employee Compensation/Retirement	217,523	822	—	230,911	952	—
Court Orders/Lawsuits	17,683	—	24.2	8,981	—	814.0
Expiring Programs or Positions	—	—	—	-10,400	—	-87.6
One-Time Cost Reductions	—	—	—	-66,581	-1,951	—
Full-Year Cost of New Programs	—	—	—	248,352	-2,800	511.1
Other Workload Adjustments	-36,760	-11,834	25.2	67,370	-4,454	-288.4
Infrastructure Adjustment	55,995	71,834	—	350,116	777,805	—
Totals, Workload Adjustments	\$274,004	\$60,406	130.2	\$884,482	\$768,107	286.2
Policy Adjustments						
Population Adjustment - Female Rehabilitative Community Correctional	2,927	—	16.2	30,407	—	86.2
Other Policy Adjustments	727	—	6.5	-21,353	25,000	10.1
Totals, Policy Adjustments	\$3,654	\$0	22.7	\$9,054	\$25,000	96.3
Total Adjustments	\$277,658	\$60,406	152.9	\$893,536	\$793,107	382.5
Budget Prior to Reductions	\$10,113,969	\$648,802	66,780.3	\$10,647,340	\$1,123,136	67,009.9
Budget-Balancing Reductions^{1/}	-\$17,882	\$0	-200.0	-\$378,901	\$0	-5,854.0
Governor's Budget	\$10,096,087	\$648,802	66,580.3	\$10,268,439	\$1,123,136	61,155.9

^{1/} These dollars and PYs are included in the General Government agency; therefore, not included in each agency's totals in the applicable Summary Schedules.

* Dollars in Thousands

PROPOSED WORKLOAD BUDGET

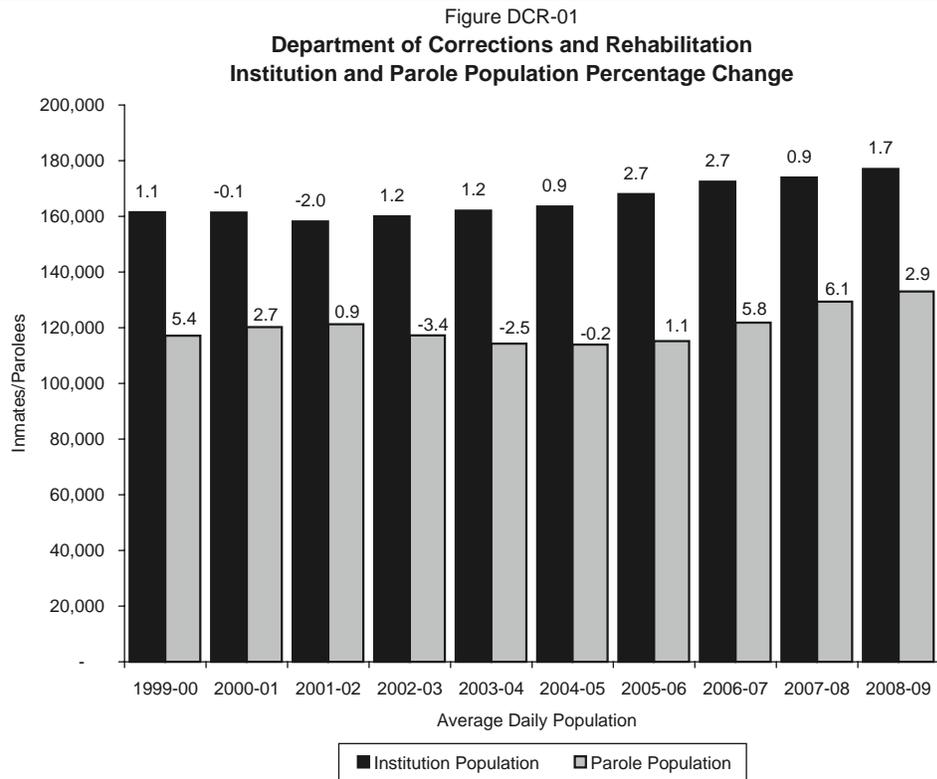
The major workload adjustments required by law for 2008-09 include the following:

- AB 900 Implementation-The Budget includes \$2.5 million in 2007-08 and \$35.4 million in 2008-09 to implement AB 900 (Chapter 7, Statutes of 2007). Resources are provided to expand substance abuse treatment capacity, conduct inmate risk and needs assessments, provide day treatment and crisis care services for mentally ill parolees, create an administrative structure for the rehabilitative adult programs, and train CDCR staff on effective rehabilitation principles and programs.
- Enrollment/Caseload/Population-The Budget includes \$17.1 million in 2007-08 and \$20.4 million in 2008-09 to address changes in adult and juvenile population and parolee caseloads.
- Court Orders and Lawsuits-The Budget includes \$17.7 million in 2007-08 and \$9 million in 2008-09 to comply with court orders and lawsuits, including activities of the federal Receiver in the case of *Plata v. Schwarzenegger*.
- Employee Compensation and Retirement-The Budget includes \$217.5 million in 2007-08 and \$230.9 million in 2008-09 for employee compensation costs and adjustments to the retirement contribution rate.

ADULT POPULATION ADJUSTMENTS

Under existing law, the average daily inmate population is projected to increase from 173,993 in 2007-08 to 177,021 in 2008-09, an increase of 3,028 inmates, or 1.7 percent. This change is due primarily to the projected increase in the number of parole violators returned to prison because they committed a specific parole violation. This is partially offset by a small decline in new admissions from the court. The 2007 Budget Act assumed an average daily inmate population of 174,300. (See Figure DCR-01) Included within these totals is an average daily population of 6,935 inmates who are projected to be housed in out-of-state correctional facility beds.

Similarly, under existing law the average daily parole population is projected to increase from 129,343 in 2007-08 to 133,061 in 2008-09, an increase of 3,718 parolees, or 2.9 percent. The projected increase is due to fewer discharges from parole and more releases to parole from prison than expected. The 2007 Budget Act assumed an average daily parole population of 124,862.



The fiscal impact of these population changes in 2007-08 is an increase of \$14 million General Fund and a reduction of \$45,000 in other funds. In 2008-09, the fiscal impact is an increase of \$77.2 million General Fund and a reduction of \$459,000 other funds.

JUVENILE POPULATION ADJUSTMENTS

The Division of Juvenile Justice (DJJ) projects a juvenile institution average daily population of 2,294 youthful offenders in 2007-08, 78 more than anticipated in the 2007 Budget Act. The fiscal impact in 2007-08 is an increase of \$5.6 million General Fund. In 2008-09, the juvenile institution average daily population is expected to decrease by 508 wards, or 22.2 percent, to 1,786. The population decrease is primarily due to shifting responsibility for housing non-serious and non-violent juvenile offenders to local jurisdictions beginning September 1, 2007. The fiscal impact in 2008-09 is a decrease of \$48.8 million General Fund and a decrease of \$986,000 other funds. The total General Fund expenditures are partially offset by revenues from the sliding scale fees paid by counties. In 2007-08, these revenues are estimated to be \$12.4 million, a decrease of

\$922,000 from the revenue expected at the time of the 2007 Budget Act. In 2008-09, these revenues are estimated to decrease to \$8.2 million as a result of the population shift.

The juvenile parole average daily population is expected to be 2,415 in 2007-08, a decrease of 148 from the 2007 Budget Act. In 2008-09, the juvenile parole average daily population is expected to decrease by 452 paroles, or 18.7 percent, to 1,963. However, costs will increase due to a higher number of reentry caseload parolees, which require a lower ratio of parolees to parole agents. The fiscal impact of the change in the juvenile parole population in 2007-08 is an increase of \$76,000 General Fund. In 2008-09, the fiscal impact is a decrease of \$1.7 million General Fund.

The population adjustment proposed in the Governor's Budget for the Juvenile Education Program reflects staffing ratios consistent with the requirements of the Education Remedial Plan. General Fund Proposition 98 funding is projected to decrease by \$2.6 million in 2007-08 and \$6.3 million in 2008-09.

HOUSING AND SUPERVISION OF JUVENILE OFFENDERS

On September 1, 2007, local jurisdictions became responsible for housing and supervising non-serious and non-violent juvenile offenders. In order to provide resources to local jurisdictions for housing and supervising these additional juvenile offenders, the Youthful Offender Block Grant was established and provides local assistance funding of approximately \$24 million in 2007-08, \$66 million in 2008-09, and \$92 million in 2009-10 and ongoing. In addition, the 2007 Budget Act included \$100 million in lease-revenue bonds to finance the acquisition, design, renovation, or construction of local juvenile facilities to ensure that counties have adequate capacity and program space to house and serve juvenile offenders.

IMPLEMENTATION OF AB 900

In May of 2007, the Governor signed AB 900 (Chapter 7, Statutes of 2007), also known as the Public Safety and Offender Rehabilitation Services Act of 2007, which provided \$7.3 billion in lease revenue bond financing to add 53,000 prison, reentry, and jail beds in two phases, and fundamentally shifts how the CDCR approaches rehabilitation for California's prisoners. AB 900 also appropriated \$50 million General Fund for additional rehabilitative programming activities and \$300 million General Fund to make infrastructure improvements at state prisons. The Budget proposes a total of \$2.5 million in 2007-08 and \$35.4 million in 2008-09 to implement the rehabilitation components of AB 900. Of this amount, \$2.5 million in 2007-08 and \$31.4 million in 2008-09 is funded from the AB 900 appropriation, consistent with the requirements of SB 81 (Chapter 175, Statutes of 2007).

CORRECTIONS AND REHABILITATION

REHABILITATION STRIKE TEAM AND PATHWAYS TO REHABILITATION

Following the enactment of AB 900, the Governor convened a Rehabilitation Strike Team charged with evaluating existing education, training and substance abuse programs; exploring ways that services can best be delivered to inmates and parolees in order to improve public safety; and putting into action rehabilitative programming recommendations made by the Expert Panel on Corrections Reform in accordance with the performance benchmarks mandated in AB 900. The Budget includes \$5 million for a comprehensive integrative case management demonstration project which will showcase the pathway of rehabilitative programming for a group of inmates. A full continuum of assessment and rehabilitative programming will begin with an initial risk and needs assessment in the reception center at intake. A comprehensive assessment will be conducted at the general population level to determine needs-based programming, and intensive programming efforts will continue within prisons and reentry centers up to the time of release. Aftercare and follow-up will be provided by CDCR's partners in the community to maximize opportunities for successful reintegration.

INMATE RISK AND NEEDS ASSESSMENTS INCLUDING CLASSIFICATION SERVICES

AB 900 requires the CDCR to implement an inmate assessment at reception centers, and use the assessment to assign inmates to rehabilitation programs. The 2007 Budget Act includes \$4.7 million for the CDCR to implement risk and needs assessments at reception centers. Building upon the Department's current efforts to meet the mandates of AB 900, the Governor's Budget includes an additional \$483,000 General Fund in 2007-08 and \$5.2 million General Fund in 2008-09 to continue the implementation of the risk and needs assessments at reception, and to create behavior management plans for inmates identified as a high risk to recidivate.

SUBSTANCE ABUSE TREATMENT EXPANSION

AB 900 requires the CDCR to expand substance abuse treatment services in prisons to accommodate at least 4,000 additional inmates who have histories of substance abuse. To meet this mandate, the Governor's Budget includes \$308,000 General Fund in 2007-08 and \$8.1 million General Fund in 2008-09 to provide evidence-based substance abuse treatment services for 2,000 inmates and continuing care for 1,330 parolees. This augmentation will fund the first phase of the 4,000-bed expansion, and provide an additional 2,000 in-custody treatment slots, continuing care, and training for the substance abuse staff.

REHABILITATION STAFF SKILLS TRAINING

The Governor's Budget includes \$1.4 million General Fund in 2007-08 and \$5.4 million General Fund in 2008-09 to provide training on effective rehabilitation, cognitive behavioral intervention, interviewing, and other skills to approximately 1,900 prison staff who will provide specific communication skills and techniques designed to reduce offender resistance, increase offender motivation to change, and reduce individual criminal risk. The CDCR will begin by training existing staff at reception centers that are directly responsible for administering the risk and needs assessments. During those initial training sessions, the CDCR will also train new correctional counselors to serve as department-wide trainers, who will then travel the state in teams and train staff at all the institutions. Ultimately, this rehabilitation training will be added to the academies where it will be required for all participants.

DAY TREATMENT AND CRISIS CARE SERVICES FOR MENTALLY ILL PAROLEES

AB 900 requires the CDCR to obtain day treatment, and to contract for crisis care services, for parolees with mental health problems. To meet this mandate, the Governor's Budget includes \$6 million General Fund for the CDCR's Division of Adult Parole Operations to enhance mental health rehabilitative and stabilization services initiated under the Department's Reducing Recidivism Strategies. This augmentation will expand services and provide more intensive treatment for severely mentally ill parolees who currently receive outpatient services through the Parole Outpatient Clinics. The CDCR will work with county providers to ensure that parolees receive the necessary services when in mental health crisis, and can step-down to the day treatment programming or other care services as appropriate.

ADULT PROGRAMS REALIGNMENT AND OFFICE OF RESEARCH FUNDING

The Governor's Budget includes \$301,000 General Fund in 2007-08 and \$4.7 million General Fund in 2008-09 to provide critical program infrastructure so that the CDCR can meet the AB 900 mandates and more fully integrate rehabilitative programming into the correctional setting. This augmentation will provide funding for the newly-established Office of Program and Policy Development, facilitate and implement the Prison-to-Employment Plan, staff the newly established Local Government Liaison Unit, and provide staffing for the new Office of the Undersecretary for Adult Programs. This augmentation also funds enterprise data system enhancements and expansion of data analysis and reporting capacity and capability to effectively implement the mandates for rehabilitation programming.

EdFIRST

The Governor's Budget includes \$961,000 General Fund in 2008-09 to implement the Education for Inmates Reporting and Statewide Tracking project (EdFIRST). EdFIRST is an information technology system that will store inmate educational files and data electronically. This system will provide the CDCR an electronic means to track student participation, progress, and achievement, and replace the existing manual system. EdFIRST will also allow the CDCR to more effectively manage and report on educational participation and progress.

SECURE REENTRY FACILITIES

The Governor's Budget includes \$727,000 General Fund in 2007-08 and \$1.1 million General Fund in 2008-09 to establish the pre-activation team for the new reentry facility in Stockton, authorized by Chapter 228, Statutes of 2007 (SB 943). This augmentation will allow the Department to conduct a site assessment to identify renovation and construction needs, identify the population for the reentry facility, identify the appropriate staffing criteria for the facility, design reentry programs and services, engage in ongoing communication and participation with local stakeholders, and establish contracts with community providers.

The Governor's Budget also includes \$2.5 million General Fund in 2008-09 to contract with the San Francisco County Sheriff's Office to provide twelve months of intensive, in-custody reentry programming, followed by twelve months of accountability-based, out-of-custody reentry programming.

REENTRY FACILITIES

Secure reentry facilities are designed to improve public safety by reducing recidivism. AB 900 provides for 16,000 new beds in community-based reentry centers, each of which will house up to 500 inmates for their last 12 months in custody. These facilities will provide intensive rehabilitation, and offer offender job training, mental health and substance abuse counseling, housing placement, educational assistance, and other services in the critical few months just prior to an inmate's release.

COURT AND LAWSUIT-RELATED ISSUES
PLATA V. SCHWARZENEGGER

The 2007 Budget Act includes an appropriation of \$125 million along with language that allows for the transfer of these funds for the purpose of funding activities of the Receiver appointed by the court in *Plata v. Schwarzenegger*, and for coordinated activities of the Receiver, and the *Coleman v. Schwarzenegger* and *Perez v. Tilton* courts. Of this amount, approximately \$26.2 million has been transferred to date, resulting in ongoing costs of approximately \$14.3 million, which are included in the Governor's Budget. In addition to funding these costs, the Governor's Budget includes \$1.7 million to establish an Office of Third Level Health Care Appeals, \$45.8 million to expand Health Care Access Units to all institutions, \$26 million for the California Prison Health Care Receivership Corp. operating budget, and the elimination of \$125 million in unallocated funding. This represents approval of \$73.5 million of the Receiver's funding proposals, which totaled \$168.9 million in 2007-08 and \$369.3 million in 2008-09.

The Receiver also submitted nine placeholder budget requests, including one capital outlay proposal that will be considered during the spring process. The initial cost estimate by the Receiver for these requests is \$104.3 million in 2007-08 and \$518.9 million in 2008-09. The most significant cost is for capital outlay projects to improve CDCR's health care facilities, which represents \$84 million of the 2007-08 request and \$415.1 million of the 2008-09 request. The Receiver has indicated a need for an additional 5,000 medical beds. Despite the lack of specifics as to this proposal, in recognition of the resources necessary to keep the Receiver's capital outlay program moving forward, the Governor's Budget proposes to make the \$2.5 billion previously appropriated for infill beds, reentry facilities, and medical/mental health/dental treatment and housing in Phase II of AB 900 available for the Receiver's use.

**CALIFORNIA PRISON HEALTH
CARE RECEIVERSHIP**

In April 2001, a class-action lawsuit, now known as *Plata v. Schwarzenegger*, was filed in federal court contending that the state was in violation of the Eighth and Fourteenth Amendments to the United States Constitution by providing inadequate medical care to prison inmates. On June 30, 2005, the court ordered the establishment of a receivership to take control of the CDCR's medical care system due to the state's delay in successfully implementing the changes required by the Stipulated Agreement for Injunctive Relief, entered into as the settlement of the *Plata v. Schwarzenegger* case. The Receiver was appointed in February 2006 and has broad authority over CDCR's medical care program.

The Administration continues to work cooperatively with the Receiver to address correctional medical care in the most efficient and comprehensive manner possible. However, because the Receiver's 2008-09 budget requests did not contain the level of workload data and information regarding baseline resources that is typically necessary in order for the Administration to include a proposal in the Governor's Budget, and the timing of receipt of the proposals made it difficult to ascertain this information through an iterative process, the Receiver's entire funding request has not been included in the Governor's Budget. Out of respect for the federal court, and the Receiver's obligations to the court, the entire budget request as presented by the Receiver will be submitted to the Legislature. In addition, the medical care services budget, nearly \$1.6 billion in 2008-09, has been exempted from the budget-balancing reduction plan (discussed below), which will significantly reduce CDCR's institution population, resulting in savings in the medical care services program and thereby freeing up resources for other activities and priorities of the Receiver.

Perez v. TILTON

Perez v. Tilton is a class action lawsuit alleging that the CDCR fails to provide adequate dental care to inmates, causing permanent and unnecessary damage to their health in violation of the Eighth Amendment to the United States Constitution. The Governor's Budget includes \$2.6 million General Fund to continue the state's efforts to comply with the *Perez v. Tilton* lawsuit. This augmentation will provide funding for the establishment of a Statewide Deputy Dental Director, Regional Dental Directors, and associated support staff, and the creation of a Dental Authorization Review committee which will be responsible for reviewing dental treatment plans, reviewing and making recommendations on requests for otherwise excluded dental services, and evaluating the cost efficiency and effectiveness of the dental services provided to inmates.

LUGO v. SCHWARZENEGGER

Lugo v. Schwarzenegger is a class action lawsuit, brought by inmates with life sentences with the possibility of parole, which alleged that the Board of Parole Hearings was not conducting parole eligibility hearings within the statutory time frames. The Governor's Budget includes \$8.2 million General Fund in 2008-09 to continue state efforts to comply with the requirements of *Lugo*. This augmentation provides resources for additional Commissioners to conduct hearings for inmates sentenced to life in prison, initial psychological evaluations and follow-up psychological evaluations for these inmates who are eligible for parole, and increased workload associated with hearing file preparation and psychological evaluation file preparation for this population.

VALDIVIA V. SCHWARZENEGGER

Valdivia v. Schwarzenegger is a class action lawsuit, filed by parolees, which alleged that California's parole revocation process violated parolee and prisoner due process rights under the Fourteenth Amendment to the United States Constitution. The Governor's Budget includes \$1.2 million General Fund in 2007-08 and \$5.3 million General Fund in 2008-09 to ensure continued compliance with the Valdivia Remedial Plan. Included in these funds are \$1.1 million in 2008-09 for the CDCR's Division of Addiction and Recovery Services to manage and implement 1,800 statewide community-based treatment beds for parolees.

ARMSTRONG V. SCHWARZENEGGER

The Governor's Budget includes \$15.7 million General Fund in 2007-08 and \$43.9 million General Fund in 2008-09 to continue state efforts to comply with the requirements of the *Armstrong v. Schwarzenegger* lawsuits. Major components of this augmentation include the following:

- \$6.9 million to conduct field file and information tracking system reviews prior to parole proceedings, enter parolee disability information based on observations and parolee self disclosure within 24 hours, and provide computer training for parole agents and basic Americans with Disabilities Act (ADA) concept training to all Division of Adult Parole Operations field staff.
- \$14.9 million to enter, track, analyze and control the quality of the ADA program within the CDCR's automated facility maintenance system, implement ADA structural improvements within the institutions, and improve the path of travel within the institutions.
- \$16.2 million (\$15.3 million in 2007-08) to provide connectivity and computers to all correctional counselors at the institutions and create a statewide integrated real-time computerized tracking and compliance system.
- \$4.4 million to increase self-monitoring tours in order to capture a statistically significant sampling of the affected population.

ARMSTRONG V. SCHWARZENEGGER

The *Armstrong* lawsuits alleged that the CDCR and the Board of Parole Hearings (Board) violated provisions of the ADA and the Fourteenth Amendment to the United States Constitution right to due process. In 1996, the CDCR entered into a settlement agreement to develop a Disability Placement Program. This settlement is commonly referred to as *Armstrong I*. In 1999, the United States District Court found that the Board had violated disabled inmates' and parolees' rights under the ADA and issued a permanent injunction to remedy the violations. This injunction is commonly referred to as *Armstrong II*.

L.H. v. SCHWARZENEGGER

L.H. v. Schwarzenegger is a class action suit filed by juvenile parolees alleging that California's parole revocation process violates due process rights under the Fourteenth Amendment to the United States Constitution. The Governor's Budget includes \$2 million General Fund in 2007-08 and \$2.9 million General Fund in 2008-09 to provide staffing and resources to address juvenile parole due process elements not currently being met, such as, conducting revocation hearings in a timely manner and ensuring the appointment of counsel and appearances of witnesses at hearings throughout the parole revocation process.

FARRELL v. TILTON

Farrell v. Tilton is a taxpayer lawsuit alleging that the DJJ fails to provide adequate care and services to juvenile offenders housed in DJJ facilities. In November 2004, the state entered into a consent decree whereby the state concurred with the basis of the lawsuit and agreed to address the issues of conditions of confinement in DJJ facilities. The Governor's Budget includes \$1.6 million General Fund in 2008-09 to comply with the *Farrell* lawsuit. Specifically, the Budget includes \$513,000 on a two-year limited-term basis to revise, develop and adopt regulations, and develop and implement policies and procedures as required by the *Farrell* lawsuit. The Budget also includes \$1.1 million to provide the DJJ with additional information technology staff to support enhancements to the Ward Information Network as required by the *Farrell* lawsuit.

OTHER WORKLOAD ISSUES

The Administration continues to take steps to address various operational needs of the Department. Toward those efforts, the Budget includes additional resources for academy operations and peace officer selection, information technology projects, human resources support, and other critical areas.

PEACE OFFICER SELECTION AND ACADEMIES

The Administration remains committed to addressing correctional officer and parole agent vacancies. To that end, the Governor's Budget includes \$19.9 million General Fund in 2008-09 to expand the existing parole academy, run a one-time annex academy for entry-level correctional officers at a difficult-to-staff institution, and add contract funding to ease the backlog in background investigations and pre-employment medical clearances for peace officer applicants. Additionally, the CDCR is currently seeking an appropriate site for a Southern California Training Academy and plans to request any needed budget authority to activate such a facility during the spring Budget process.

DISCHARGED OFFENDER RECORD MANAGEMENT SYSTEM

The Governor's Budget includes \$3.2 million General Fund to cover the increased cost of scanning and hosting inmate files in the Discharged Offender Record Management System (DORMS). The DORMS is an information technology project that scans a discharged inmate's central files into an electronic format, which can be stored and easily retrieved if the inmate returns to custody.

HUMAN RESOURCES SUPPORT

The Governor's Budget continues \$4.7 million General Fund to support recruitment, selection, and hiring activities mostly as a result of various court orders and legislative mandates. The continuation of these resources will ensure that the CDCR is able to perform these tasks in a timely and efficient manner. This augmentation also includes resources to permanently establish and fund positions authorized in the 2007 Budget Act specifically for the hiring of critical dental and mental health positions in response to the *Perez* and *Coleman* courts.

FILLING VACANCIES

CDCR is making progress toward meeting its goal to select and hire correctional officers to fill every established position vacancy, including new court required positions. CDCR has intensified its recruitment efforts to increase the number of correctional officers who are needed throughout the state. CDCR receives approximately 7,500 correctional officer applications per month. Typically, only four percent of the potential candidates pass the selection process, which includes psychological, academic, background investigation, medical and physical fitness evaluations.

INCARCERATION OF UNDOCUMENTED FELONS

The CDCR expects to spend approximately \$965.3 million in 2007-08 for the incarceration of undocumented persons. The state will receive \$102.4 million in federal State Criminal Alien Assistance Program (SCAAP) funding for 2007-08. Undocumented persons are expected to comprise 11.2 percent of inmates in the state prison system. The CDCR's costs in 2008-09 are estimated to increase to \$1 billion, an increase of 4.6 percent. For 2008-09, it is estimated that California will again receive approximately \$102.4 million in federal SCAAP funding. At this level of funding, the state will be reimbursed for only 10.1 percent of the costs associated with the incarceration and related debt service associated with the undocumented felon population, with \$906.6 million in costs in excess of the level of federal reimbursements.

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During the current fiscal year, the Administration will continue to aggressively pursue all strategies designed to maximize federal funding for the incarceration of undocumented felons.

PROPOSED BUDGET-BALANCING REDUCTIONS

- Total budget balancing reductions for the CDCR amount to \$17.9 million and 200 positions in 2007-08 and \$378.9 million and 5,854 positions in 2008-09. This grows to \$782.7 million in 2009-10.
- Programs exempted from reductions include lease payments securing lease revenue bonds, costs related to juvenile offenders, medical expenditures controlled by the federal Receiver, and the Corrections Standards Authority, for a total exemption of \$2.4 billion.
- The major reductions are described below:
 - \$4.3 million and 66 positions in 2007-08 and \$256.4 million and 4,194 positions in 2008-09 resulting from the CDCR releasing specified non-violent, non-serious, non-sex offenders without prior serious or violent offenses or strikes, 20 months earlier than their original release date. This proposal would result in an institutional average daily population reduction of 22,159 in 2008-09. This reduction assumes the necessary statutory changes will be enacted by March 1, 2008. Due to the CDCR's recent success in filling vacant correctional officer positions, layoffs will be necessary to achieve this reduction and the savings reflects a lag time related to the state layoff process. Once the layoff process has been completed, this savings grows to \$526.7 million in 2009-10.
 - \$13.6 million and 134 positions in 2007-08 and \$97.9 million and 1,660 positions in 2008-09 resulting from the CDCR placing non-serious, non-violent, non-sex offenders on summary parole. Summary parole will have minimal conditions of parole and involve no active supervision. These offenders would be subject to searches and drug testing, but would not return to prison without first being prosecuted locally for any new offenses they commit. This proposal would result in a parole average daily population reduction of 18,522 in 2008-09 and an institutional average daily population reduction of 6,249. This savings grows to \$231.5 million in 2009-10. This reduction assumes the necessary statutory changes will be enacted by March 1, 2008.

- \$24.6 million in 2008-09 for local assistance grant funding. This proposal would reduce funding for the Mentally Ill Offender Crime Reduction Grant Program, which supports the implementation and evaluation of locally developed demonstration projects intended to reduce recidivism and promote long-term stability among mentally ill adult and juvenile offenders by \$4.5 million, from \$44.6 million to \$40.1 million. This proposal would also reduce funding for the Juvenile Probation and Camps Program, which allocates funds to all 58 counties to support a broad spectrum of county probation services targeting at-risk youth, juvenile offenders, and the families of those youth, and to support the operation of camps and/or ranches by \$20.1 million, from \$201.4 million to \$181.3 million.